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Washington's Unemployment Rate Remains Steady at 7.5 Percent

OLYMPIA –Washington's seasonally adjusted unemployment rate remained at 7.5 percent in August, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate declined by one-tenth of a percentage point to 6.1 percent. Washington's non-adjusted unemployment rate fell by two-tenths of a percentage point to 7.2 percent.

"The labor market remains weak," said Mundy. "The unchanged unemployment rate sends a bit of a misleading signal. Actually, there was decline in both employment and unemployment, which may be an indication of discouraged workers leaving the workforce. Discouraged workers also increased at the national level but to a lesser extent."

Washington's nonagricultural wage and salary employment declined by 1,300 jobs in August. Local government education experienced the most dramatic declines, down 14,900, though these were normal seasonal layoffs. Aerospace also continued to ratchet down with a decline of 900 jobs. There were still many seasonal job gains in the economy in construction (5,100), wholesale and retail trade (1,100), transportation, warehousing, and utilities (500), information (1,100), professional and business services (2,700), education and health services (700), and leisure and hospitality (2,800).

Over-the-year, jobs in Washington were down 1,500 since August 2002. While Washington managed to post over-the-year job increases for the first six months of 2003, over-the-year job losses re-emerged in July and August. To date, the tepid increases in services sector jobs have not been able to outweigh the job losses in manufacturing to produce a sustained recovery in employment.

Manufacturing is down 21,000 jobs since last year with aerospace accounting for half of the decline. Construction is up 2,200 jobs over the year. Specialty trade contractors, which accounts for about two-thirds of construction employment, is responsible for almost all of the gain. Services sector has experienced wide-spread, but modest, gains. Other gains include retail trade (1,200), financial activities (6,500), professional and business services (2,600), education and health services (5,400), and leisure and hospitality (4,500).

Service producing industries that have lost jobs since last year include wholesale trade (-200), transportation, warehousing, and utilities (-900), information (-900), and government (-1,900). The losses in information are accounted for by the telecommunications industry, which is down 2,400 jobs or 8.3 percent. Software publishing is actually up 1,700 jobs or 4.7 percent. Local state government accounted for the job losses in the government sector even though local government education increased by 2,700 jobs.